

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1054 - HB 1569

March 31, 2021

SUMMARY OF BILL: Expands application deadlines for certain commercial development districts (CDD) to receive a distribution of state sales and use taxes.

ESTIMATED FISCAL IMPACT:

Foregone State Revenue – \$113,200/FY22-23 and Subsequent Years

Increase Local Revenue – \$113,200/FY22-23 and Subsequent Years

Assumptions:

- According to the Department of Revenue, the annual allocation per CDD was \$113,191 in FY19-20, and this legislation is estimated to result in at least one additional CDD will be created as a result of the expanded eligibility.
- Pursuant to Tenn. Code Ann. § 67-6-104(f), all CDD allocations must be done in the best interest of the state. Best interest of the state means a determination by the Commissioners of Finance and Administration, Revenue, and Economic and Community Development that tax allocations to the CDD will result in economic benefits to the state outweighing the anticipated amount of the tax revenue allocation. Therefore, any fiscal impact to state revenue is considered to be foregone.
- The recurring foregone state revenue and corresponding increase in local revenue is estimated to be \$113,191 beginning in FY22-23 and occurring in subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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